

# Budget Transparency, Accountability, and Citizen Participation

The PROOF Campaign in Bangalore, 2002-03

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## CBPS Monographs

- ❖ "Decentralisation From Above - Panchayat Raj in the 1990s," by Vinod Vyasulu, March 2000.
- ❖ "Democracy and Decentralisation: A Study of Local Budgets in two Districts of Karnataka," A. Indira, et al., March 2000.
- ❖ "Democracy and Decentralisation: Zilla, Taluk and Grama Panchayats," A. Indira, et al., March 2000.
- ❖ "Small Enterprises in Karnataka - Lessons from a survey in Karnataka," A. Indira, B.P. Vani, Vinod Vyasulu, February 2001.
- ❖ "Development at the District Level: Kodagu in the 1990s," A. Indira. Note submitted to the District Planning Committee, March 2001.
- ❖ "A Health Budget in Karnataka: A Preliminary Study," A. Indira, Vinod Vyasulu, April 2001.
- ❖ "The Estimation of District Income and Poverty in the Indian States," A. Indira, Meenakshi Rajeev, Vinod Vyasulu, August 2001.
- ❖ "The Budget for Education - A Study at the District Level in Karnataka," by Vinod Vyasulu, A. Indira, November 2001.
- ❖ Civil Society and Budget Analysis Experience of Civil Society and Budget Analysis in Nepal, Bangladesh and India. Documented by Jonna Vyasulu June 2002



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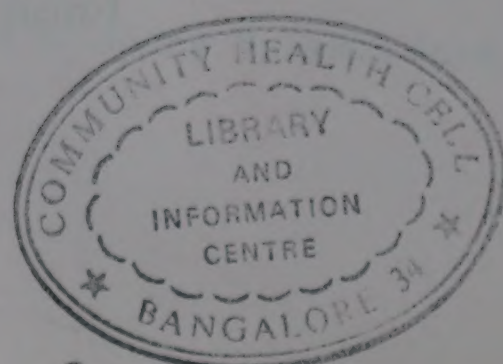
May 2003

Health Transitions, Accountability  
and  
Citizen Participation

The 1994-95 Conference in Bangalore, 2002-03

1994-95

Centre for Health and Policy Studies  
2nd Floor, 22nd Cross, 2nd Stage,  
Banashankari, Bangalore 560075  
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*"Will you walk a little faster?" said a whiting to a snail,  
There is a purpose close behind us, and he is treading on my tail.  
See how eagerly the lobsters and the turtles all advance!  
They are waiting on the shingle—will you come and join the dance?  
Will you, won't you, will you, won't you will you join the dance?  
Will you, won't you, will you, won't you, won't you join the dance?*

*"You can really have no notion how delightful it will be  
When they take us up and throw us, with the lobsters, out to sea!"  
But the snail replied "Too far, too far!" and gave a look askance—  
Said he thanked the whiting kindly, but he would not join the dance.  
Would not, could not, would not, could not would not join the dance.  
Would not, could not, would not, could not, could not join the dance.*

*"What matters it how far we go?" his scaly friend replied.  
"There is another shore, you know, upon the other side.  
The further off from England the nearer is to France—  
Then turn not pale, beloved snail, but come and join the dance.  
Will you, won't you, will you, won't you, will you join the dance?  
Will you, won't you, will you, won't you, won't you join the dance?"*

Lewis Carroll





# Budget Transparency, Accountability, And Citizen Participation

The PROOF Campaign in Bangalore, 2002-3

## I

After the passing of the 74<sup>th</sup> amendment of the Indian constitution, there has been a belief that sharing of information, and transparency in financial matters, such as government budgets, would both improve government accountability and nurture citizen participation in the public policy process. This is a big change in the basic norm of Indian governance, in which secrecy has been the norm<sup>1</sup>. It has also been recognised that there is, because of past experience, a great deal of cynicism and apathy on the part of citizens when it comes to practical issues of daily concern, like roads, schools, public health centres etc. In an effort to at least partially address this issue, several states, following upon the seminal and innovative work of the Mazdoor Kisan Sangharsh Sanghatan in Rajasthan, have passed laws on Right/Freedom of Information. Karnataka is one of them<sup>2</sup>. A start in this direction has been made. The question is about how to move ahead now.

The implementation of the constitutional amendments has been half-hearted<sup>3</sup>. As a result, in rural India, there has been little participation by citizens in the gram sabhas, which are institutional mechanisms meant to facilitate citizen participation in issues of local governance. In urban India—and Bangalore—the ward committees in cities have *not even been constituted*. Why is there this divergence between sweeping legal changes, strongly held belief and widely documented reality? What has been missed out<sup>4</sup> in the process of transformation now under way? Are there cases where the disclosure of financial information has been followed by active citizen participation in the budget process?

In Bangalore we have one such case, the PROOF campaign of 2003-03. What can we learn from this experience? Under what conditions did it take place in Bangalore? Is citizen engagement with government meaningful at all?

Considering the apathy of citizens and the widely prevalent belief that the local government was both corrupt and inefficient, it seemed utopian to think that citizens' would engage meaningfully with the city government. If we took it up at all, it was because we believed that we had a new and different approach that had not been tried out before. We were not for confrontation. There has been enough experience with confrontative approaches in India, but little by way of specific improvements that followed. Trade unions may have won major victories for workers over the years, but many of these are also being reversed in the course of structural adjustment policies. The confrontative approach has been based on the belief that the system

1 Vinod Vyasulu, "Transparency on Public Sector Finance and Public Financial Accountability in Karnataka", paper submitted to the World Bank, September 2002.

2 Nikhil Dey and Vinod Vyasulu, "Setting the Rules of Engagement: The Right to Information in Karnataka", November 2003, published in a special issue of the Press Trust of India journal.

3 Vinod Vyasulu, *Panchayats, Democracy and Development*, Rawat, Jaipur, 2003; "From Centralised Administration to Local Governance", lecture at the National Institute of Advanced Studies, Bangalore, February 2003, unpublished.

4 Vinod Vyasulu, "Participation and Development: What is Missing?" *Economic and Political Weekly*, 13 July, 2002.



cannot be improved, it has to be replaced with a revolutionary alternative. The existing system is defined as a zero sum game.

On the other hand, many others working from different ideologies have managed to secure benefits and improvements for their constituents<sup>5</sup>. Without taking a final position on this issue it seems to be clear that some improvements in the system are possible. There is scope for negotiation. What is needed is a space for it. If this is attempted on a democratic basis, it is possible the changes/benefits will last<sup>6</sup>. This does not mean better systems do not exist; it does mean that some sustained improvement is possible in the current system. It then becomes worthwhile to work with, and try to improve/change/strengthen the existing system democratically. The 73rd and 74th amendments offer a unique opportunity for such efforts.

This article presents the salient facts about the PROOF campaign, and reflects on the lessons it holds, not just for Bangalore, but for other cities in India as well. This is an introspection by a partner in this campaign, but it does not claim to speak for the entire campaign<sup>7</sup>. Section II presents the facts as objectively as possible. Section III delves into some issues that cropped up in the course of the campaign in a personal manner—it may not represent the views of thinking of the other partners. It is meant only to share some personal experiences and reflection in the hope that the debate on this subject may move ahead. Section IV offers some conclusions.

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- 5 James M Buchanan and Gordon Tullock, The Calculus of Consent: Logical Foundations of Constitutional Democracy, Arbor Paperbacks, University of Michigan Press, 1969.
  - 6 For an erudite discussion, see Amartya Sen, Development as Freedom, Anchor Books of Random House, New York, 2000.
  - 7 Seema Dargar, an independent scholar, has documented this campaign in detail. The interested reader may refer to it. American India Foundation, which sponsored her India stay in CBPS, will be publishing this report.
  - 8 The launch document gives details. Available on request from: [proof@vsnl.net](mailto:proof@vsnl.net). The 4 organisations are: Centre for Budget Policy Studies; Janaagraha; Public Affairs Centre and Voices, all based in Bangalore.
  - 9 More detail is available in several articles in a special issue of Voices, November 2002. See in particular, Ramesh Ramanathan's paper in this issue.



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## II

The PROOF [Public Record Of Operations and Finances] campaign was launched in July 2002 for a ten month period by four independent, not-for-profit organisations in Bangalore<sup>8</sup>. The objective was that of building citizen confidence in the local city government, [the Bangalore City Corporation, BMP by its Kannada initials] by facilitating public discussions around its quarterly financial performance. Quarterly financial disclosures are well known in financial circles, and are the result of experience over a long period of time. They provide for systematic, periodic, standardised disclosure of financial performance of an organisation, on the basis of which different stakeholders can make their own assessments of its performance. The three month timeline provides for mid-course corrections, and so the debate can be useful. The idea of PROOF was to create *a space for constructive engagement* between citizens and their local government<sup>9</sup>. We should be able to ask tough questions; get honest answers, and together work for common betterment.

The BMP had passed its budget in March 2002, and this was taken as given by the campaign. We did not ask if it was appropriate, as the elected body has its own legitimacy that must be respected in a democracy. We could, however, as citizens and tax payers, ask how the BMP performed in terms of its own targets and goals. What were the shortfalls, and what were the problems faced by the BMP in implementing its programmes approved in the budget? How could citizens of the city partner it in improving its functioning? Would transparency and accountability in this specific context enable and encourage citizen participation in the running of the city? We chose to *ask the BMP for a disclosure of its quarterly financial performance*. A simple format was prepared, and information was requested on Revenue and Expenditure; on Assets and Liabilities, and then for a Management Discussion and Analysis for the past Quarter. We would arrange for 4 public discussions, one for each Quarter. This, we hoped would focus attention on issues of importance to the city, and lead to gradual improvements through partnership between the BMP and citizens.

Our objective was not to find scapegoats and seek to punish them. Our aim was—and remains—that of *improving the system* of local governance. The way in which this is sought is through *serious and continuous engagement*. There are enough competent and honest people in the BMP trying to work under difficult conditions. Janaagraha, one of the campaign partners, has been working with communities and the BMP at the local ward level, with elected corporators and citizens. As a result of this work, about 4 crore rupees of ward works requested by citizens were included in the budget for 2002-03. The Public Affairs Centre has been conducting regular surveys of citizen satisfaction with various services. The CBPS has been engaged in budget analysis at the local level in other parts of the state. Voices has experience of community mobilisation through innovative use of the media. By coming together, the four brought expertise and skills into the campaign. The earlier experience of each showed that improvements are possible if we can work together to improve the entire system, not just parts of it. This will

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10 Supported by the Bangalore Agenda Task Force, [of which Ramesh Ramanathan was a member,] implemented by Messrs NCRCL Ltd, led by Murali, a chartered accountant. It involved more than 2,00,000 person hours of professional input from accountants and software engineers. Other municipalities can now learn from this system, called FBAS-Fund Based Accounting System.



certainly call for changes, but these are changes that will be jointly agreed upon, with the pain of change being shared. This is the method of sustained engagement on quarterly financial performance that the PROOF campaign decided to work with.

Most cities in India work with a single entry, cash book system of accounts. The BMP is the first city corporation in the country to develop and implement a fund based, double entry accrual system of accounts for itself. This is a bottom up method of financial accounting that is effectively computerised with special software developed for the purpose<sup>10</sup>. It was in the middle of the difficult organisational transition from the cash book single entry system of accounts to the new one. The supply side has been looked after—the data on financial performance is available in real time to the decision makers of the BMP. This has been a necessary condition for the PROOF campaign to work.

If such an organisation has a poor public image, what was the reason for it? If this available data could be shared with citizens, who could also analyse it independently from their own point of view, it should add light to the prevailing situation in the city, and the interaction could throw up new ideas and solutions. We wanted a partnership in which we could engage in discussion and debate, through which we could together seek to improve city government. We would try this for a year, and review our experience to see what we had learnt. Future programmes would depend upon that. This, in essence, is PROOF.

This, we found, was an unusual initiative in citizen interaction with local government. We did not find any experience elsewhere on which we could draw. The weekly Tuesday afternoon meetings of the partners was where it all happened—discussions of strategy, decisions on what to do. As time went on, various other meetings came to be held, with citizens, with stakeholders in different areas, in many of which the concerned BMP officials took full part. That this had happened is encouraging; what impact it has had, it is perhaps too early to say. And finally, it should be citizens who decide if all this has been worthwhile, not the partners who launched the campaign.

The campaign's initial results exceeded completely the expectations of the partners who launched it. We had hoped for 4 public debates or discussions, one in each quarter. This was managed to do<sup>11</sup>. Each debate built on the other, and at the end we had a citizenry that was able to independently interact with the BMP on budget and related matters. Why and how did this happen? Was it due to factors unique to Bangalore, or was it simply the spirit of the times? Would it have happened anyway in Bangalore without the intervention we brought in through PROOF? Can it happen elsewhere—and under what conditions?

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11 Held in Infosys' J.N. Tata Conference Centre, on August 17, 2002, December 7, 2002, March 15, 2003 and May 1, 2003 before a carefully invited audience on each occasion.

12 Management students from Christ College have developed a municipal budget game, using simulation and role play techniques, drawing information from the campaign, which can be used for experiential learning training programmes with different categories of citizens.

13 This material, in English and Kannada, is available with PROOF, and will be freely shared with others interested in such work. Contact [proof@vsnl.net](mailto:proof@vsnl.net) or [proof\\_voices@vsnl.com](mailto:proof_voices@vsnl.com).



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We found campaign work exploding around us. Citizens responded enthusiastically. With help from *Voices*, a partner in the campaign, citizens organised themselves into what has come to be called the PROOF Energy Centre [PEC]. This Centre took on a number of initiatives. It began to make demands on the campaign and its partners. Radio programmes—*PROOF Puttanna*—were aired on Akashvani every Wednesday evening, and we had to provide material. The idea was to inform citizens about PROOF and urge them to get involved. In the beginning, the partners somehow managed to find suitable material and this was aired live. Later, the PEC took over this function. Those who took part ranged from ordinary citizens to famous film stars. Programme were prepared in *Voices*, and a CD sent to Akashvani for broadcast. Development of such capacity among ordinary citizens is in itself a gain.

In addition to the public discussions, there was a demand for a number of mini discussions in various parts of the city. We were unprepared for the work this involved. The PEC gradually took over this chore. The PEC broke itself into subgroups, with specific responsibilities. One was for building bridges between the BMP and citizens for regular interaction. Another was for arranging workshops to facilitate community analysis of the quarterly data. A third was ambitious: it wanted to work towards 'Namma Budget'—our budget. The PEC began to bring out a biweekly newsletter, first electronically, and then in print, called Talk About PROOF. A Kannada newsletter was also brought out.

Another group of citizens decided to involve college students in the campaign. A number of activities were arranged—PROOF debates, skits etc. The response from both teachers and students was unbelievably enthusiastic<sup>12</sup>. While this took off after more than 6 months, it has laid the foundation for a corps of young people who should be able to sustain such efforts in the years to come.

In response to strong demand from citizens, we had to organise training in understanding municipal finances for them. We did, and the campaign prepared a manual and powerpoint presentation for this purpose<sup>13</sup>. Over 400 citizens went through this three hour session, often held on Saturdays. Again, in response to questions from both the BMP and citizens, we had to come up with performance indicators. Money is spent for a purpose, and is that purpose being achieved? How could we answer this question? And so we got into the development of performance indicators [PIs]. In the areas of primary schools and public health, BMP officials, citizens, parents—stakeholders of all kinds—got together in a series of workshops to discuss the issues and develop indicators. This was massive exercise which strained our limited administrative resources to breaking point. But we survived.

These indicators had to be simple. They had to build on available data, and they had to tell a story. A large number of *output*, *outcome* and *efficiency* indicators were agreed upon, and the BMP has agreed to begin using them for monitoring progress. In this process, other NGOs, with interests in these areas, have become its partners. And this exercise is growing. If this was not to gladden the hearts of citizens, what would?

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14 For example, *Civic*, a well known organisation in Bangalore, has also held open meetings on such issues, and attended the PROOF public discussions. C Ramaswamy of *Civic* has made a detailed analysis of BMP budget that has been in circulation for several months and will probably be published shortly.



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Bangalore is a city of inequalities. These inequalities have been worsening over time, and therefore it was important that the work of the BMP reach the poor in the city. Many of the poor live in slums, and organisations working with slum dwellers wanted to analyse the budget from this point of view. Slum dwellers are citizens with the same rights as other middle class citizens. But they do not get basic services like drinking water and sanitation. Thus a new line of work began—what do the poor contribute to taxes, as they pay indirect taxes? What do they contribute through the economic activities in the slum? Slums are places of jobs as well as residence, and thus contribute positively to the city economy. The city has norms for services—such as 40 litres of water per person per day. There should be a school within one kilometre. Do slum dwellers get this level of service? If not, why not? How can their demands—needs—be addressed? And so on and on.

How did all this come to happen? What contributed to this 'success'? What were the campaign's limitations? If we are to continue, what should we build upon? What can other cities learn from our work? I turn to these issues in the next section. These, I emphasise, are my personal views.

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15 It is possible that some citizens came to the debate because of the opportunity to visit the Infosys campus!



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### III

While it is not unusual for citizens' to launch such a campaign, it is unusual for the city government to partner it wholeheartedly. Why has the BMP participated so actively in the PROOF campaign? The BMP has to deal with many agencies and NGOs<sup>14</sup>. There are many other demands on its time. That it chose to engage with PROOF in such earnestness and depth is remarkable. Was it because of the approach of engagement? Perhaps, as no one else worked this way? Was it because of the high profile of some of the persons involved? Perhaps; it is not possible for officials to turn a Nelson's eye to prominent citizens like Samuel Paul, Nandan Nilekani and Ramesh Ramanathan. Nilekani and Ramanathan are members of the Bangalore Agenda Task Force [BATF] set up by the Karnataka Chief Minister to make Bangalore a Singapore-like city, to which the agencies concerned with Bangalore were to report at intervals. Was it because PROOF showed that it was not a gleam in someone's eye that would shortly disappear, but a campaign that would last because citizens gathered around this banner? Perhaps. There could be many reasons. But the partnership had its ups and downs. I discuss below my personal version of two of these issues. What can we learn from this experience?

The partners had a bad time before the second public discussion, when a difference of opinion with the BMP blew into the open over newspaper reports about a large loan the BMP was taking from the Housing and Urban Development Corporation—HUDCO. PROOF members heard about the 1000 crore loan that found no place in the BMP budget just before the second public discussion. The partners were upset at what they considered an "unpleasant surprise" in a budgeting exercise. The Q2 figures did not show this loan. How could such a large loan be taken on an *ad hoc* basis? What about the past municipal bond loan of 125 crores? Why take such a huge loan before learning from the experience of bond loan and how it was used and managed? PROOF issued a hurried press note on this issue, asking for a public debate on this loan. Citizens' were encouraged to demand information about the loan under the recently passed Karnataka Freedom of Information Act, and Rules notified under it. Many did just that.

Officials of the BMP were upset about both the PROOF campaign going to the press, and the campaign "organising opposition to the proposed loan" without knowing all the facts. They had issued public notices about the loan a month earlier. The elected body of the BMP and the state government had approved it. HUDCO was a public sector corporation that too had to follow strict governmental procedures. And all due procedures were followed. Why was PROOF making such a fuss without checking out the facts? BMP did take part in the second debate, in which the citizens were very vocal about their concerns, but left very unhappy with the process. They felt they were not consulted on the agenda and the date, and were not given a fair hearing. Further, they felt that citizens' had a wrong notion of how democracy worked, because PROOF misled them. PROOF could not expect citizens' to take over the running of the BMP, and for civil servants to accept this take over. Information would continue to be given as it pertained to public funds. But there was no point in the BMP participating in debates organised by a group that had little respect for the procedures of representative democracy.



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This seemed a deadlock, and the end of the public discussion process. When PROOF asked for a date for the third public discussion, the BMP felt there was no point in senior officials participating in such proceedings. Hold your debates as you like; it is your privilege and your right, we do not come into the picture, was the official attitude. The partners met the officials but it seemed the end of the campaign so far as public discussions with the BMP were concerned.

And it would have been the end of the PROOF campaign, if Nandan Nilekani, the Managing Director of Infosys, and the Chairman of the BATF, had not intervened. Nilekani is a cult figure and folk hero in Bangalore. The Infosys Conference Room was where the public discussions were held<sup>15</sup>. Nilekani, through the BATF, had encouraged the BMP to develop and move to the new fund based double entry accounting system. BMP could not ignore him. He organised a meeting of the Commissioner and other senior officials, and the PROOF partners, to sort out the issue. It was a difficult meeting!

For the present it is enough to note that a problem arose, and that it was resolved after an apology was honestly tendered by the campaign co-ordinator, Ramesh Ramanathan, and graciously accepted by the BMP Commissioner. The campaign accepted that the hurried response to the press in this instance was a case of wrong judgement, but not mala fide intention, and all care would be taken to see it did not happen again. The requests of citizens' for information was just that—not an organised campaign against the loan, but a request for a fact based discussion. In return, the BMP agreed to participate if the date and agenda for the public discussions were determined jointly. To begin with, more time was to be given to the BMP for the Q3 event. A date for the Q3 public discussion was then set.

It must also be noted that there was no response to the demands under the Freedom of Information Act, although the Rules say that a reply must be given within a defined time span. The PROOF partners dropped the issue. Citizens probably forgot about it. What do we learn from this defining moment in the campaign? A compromise was made to keep the debate going. Did it in the final analysis help or hurt the campaign? I suspect we need to introspect much more on this experience.

There was a lot of thought, and a lot of agonising, on the communications strategy of the campaign. An advertising firm, Fish Eye Creative Solutions, was roped in to help the campaign. The objective was to make a large number of Bangalore citizens aware about the PROOF campaign and to take an active part in it. The partners were aware that the kind of energy they had put in could not be indefinitely sustained unless citizens' took over most of the activities. Training, for example, should be organised by citizens for citizens, with citizens serving as trainers. Communities should take the Quarterly data and organise their own sessions for analysis and they should also interact with the BMP on the results. For this, disaggregated data at the ward level becomes essential. It would have to be collected from the ward and divisional level offices of the BMP, not the head office. Money is spent on a whole host of projects and services, but the aim is not expenditure, but service provision. How could budget figures be linked to service provision? There was much that needed to be done. How could we get citizens involved in all this? How could this need and urgency be conveyed to the average citizen, the Chinnappa or Sakamma of Bangalore?



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After much discussion, in which hoardings, banners on buses, and so on were debated, a poster campaign was agreed upon. The advertising consultant, after discussions with the partners, devised a one page handbill. The idea was to give it to citizens who had just paid a bill—in a restaurant, a super market etc—and ask them if they would like to check the BMP bill as carefully. And it gave contact numbers for those who were interested to call. One side was in English, the other in Kannada. It should, at least, reach the literate in the IT city!

This was worked out by the end of the second public discussion. If the handbill could be circulated before the third one, we hoped that the number of citizens who would know about, and take part in, PROOF, would dramatically increase.

Problems arose, and not only because of the lack of expertise on the part of some of the partners in such matters. When the handbills were tested in two localities—Indira Nagar and Malleshwaram—the response was very poor. After several thousand handbills had been distributed in Malleshwaram, there was only one phone call in response. Something was not right.

We never figured this out. A lakh handbills were printed, and by the time our internal discussions petered out, the third debate was on us. The handbills remain unused. Money was spent on this. But clearly we were in a hurry and we did not have clear cut ideas on what we were after. It is essential that we learn from this experience before embarking on a costly advertising type campaign again. Could it be that we were in too much of a hurry? Perhaps. For me the lesson is clear: on this subject I am ignorant, and I should not pretend I can contribute. It has to be left to those who know what they are doing. Collectively, we have to honestly introspect in depth. In a campaign that demands so much from the organisers, this is not easy in the daily rush of events. Strategy become a casualty!

While we had some significant success, in my opinion, in bringing together the BMP and different organisations on important issues like education performance indicators and coverage of properties in the tax net, the BMP did not want PROOF to be named in the formal process. For example, it was the PROOF initiative with the performance indicators for primary schools of the BMP that led to the development of PIs that could be used for monitoring. PROOF got the Akshara Trust interested in working with these schools to put in place the PIs on an ongoing basis. PROOF even got the American Chamber of Commerce in Bangalore to agree to commit funds for this programme to be implemented. This was to be formalised in a Memorandum of Understanding between these agencies and the BMP. But the BMP made it clear that PROOF should have no mention in the MOU.

This happened a second time. PROOF brought together the Confederation of Indian Industry and the BMP, with the CII agreeing to work with the BMP on the process coverage of properties for property tax collection in two wards of the city. Based on this experience, the implementation process in other wards would be toned up, so that tax revenues increase for the BMP through better collection. Here again an MOU is being signed without PROOF. Again, that work is proceeding is good. This is not a case of PROOF getting a reward. But not keeping PROOF in the picture may have long term consequences for the campaign. When Seema Dargar interviewed CII members about PROOF, they said it was simple CII co-operation with the BMP.



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While we are happy that work has been promoted by us, why keep us out of the picture especially if we can continue to play a role in the future? Have we conveyed an unintended message? Or is it simply that the catalyst must disappear gracefully after the process?

This is not about publicity or recognition. If PROOF has made a 'match', why should it be not acknowledged? Cannot PROOF continue to play an important role in these processes over a longer time span? Would not such recognition be important in citizens' continuing to be an active part of PROOF? I do not know the answers, but I think it is important for us to take this up with with citizens and the BMP and resolve it to mutual satisfaction.



## IV

Where does the PROOF campaign go now? Do we need to continue in the same manner for another year? Or can we, having proved that engagement works, retreat gradually to the background, and hope that the PEC takes on leadership? Should a formal organisation be set up to continue this work? How should it be structured? When will the citizens be ready for this? How can we raise funds for this campaign? How will we find answers to these questions?

PROOF enjoyed so much success in the first year for some specific reasons. *First*, the partners had among them credible organisations and some eminent personalities. The work of the BATF had led to the development of FBAS, so that the data we asked for was indeed available: in most cities this would not be true. The work of Janaagraha had already begun involving citizens in ward works of the BMP, and it was working very well. PROOF could build on this. *Secondly*, the choice of the BMP, an elected body, meant an acceptance of, and engagement with, then only democratic agency providing services to citizens. Citizens felt that they had a right for such interaction. *Thirdly*, the *approach* of engagement, of partnership, removed any threat in the minds of officials of the BMP. At a time when the Karnataka Lok Ayukta was raiding offices for corruption, when the newspapers were full of such stories, here was a campaign that specifically went against the stream, acknowledging that there were good people in the BMP working under difficult conditions who should be strengthened. Not to partner the campaign in these circumstances would have been irrational—and counter productive to the BMP. *Fourthly*, the specific focus—the BMP budget—captured the imagination of citizens as it offered something concrete in their day to day environment, with the hope that the efforts put in would bear fruit in a reasonable time. The BMP could respond because of FBAS. This was also an opportunity for direct information on citizen concerns. The fact that the public discussions did take place was welcome by all, and served to energise everyone. *Fifthly*, the enthusiastic response of citizens, which forced both the partners and the BMP to organise training etc, imparted a great deal of energy to the process. And *finally*, that it was a limited campaign for 4 quarters meant everyone had a chance to reconsider on the basis of experience.

There may be other specific conditions as well. When some distance has elapsed, and others have told this story, we can expect to get a better understanding of what happened in these momentous ten months in Bangalore.

What about limitations or weaknesses or gaps? For an insider, this is difficult to grapple with, because I honestly think we succeeded way beyond anything I expected. Yet, there is a niggling question. The BMP is an elected body. We dealt with the civil servants working in it. Our interaction with the elected representatives was formal and limited. If we are to continue, then this must be immediately dealt with. It is the elected representatives who bear the ultimate responsibility for the functioning of the BMP. It is to the elected representatives that the 74th amendment delegates functions and funds. The civil servants work for the political masters. Maybe we got so far because we dealt with people who are like us, from the same broad stratum of society. But that is probably also our limitation. I leave it here for now.



What next? This is currently being debated among the partners, all of whom are agreed that the process of PROOF must be taken forward. There are many ways of doing so, and many levels at which it can be done. But other aspects of reality come crashing in. Where does one get finances to continue on such a scale? Can the partner organization sustain this kind of pressure on them for another year? What is the point at which citizens take over? How is the transition to be managed? These are issues of debate. Whatever the shape of the campaign in future, there is much to absorb and learn from the year past. And that is a matter of satisfaction in itself, even if it is not the place to stop.

PROOF has been spoken of in workshops from Mexico City to Hanoi in the past year. The World Bank's Annual Conference on Development Economics, to be held in Bangalore in May [21-23, 2003] has invited the partners to make a presentation in the Conference. There is thus enough material to supplement Seema's report. For those who want to look into nuances there is enough material to inform—and confuse!

*I must acknowledge the hard work, not just of the partners, but of Prasad and Preetha in the PROOF office, which made all this possible. There were also many others, far too large a number to acknowledge here, who made important contributions to the campaign. And the BMP must not be forgotten. Not all of them may agree with what has been written here. These are my views—and opinions and errors!*







## **CBPS**

The Centre for Budget and Policy Studies (hereinafter referred as the Centre) is a non-partisan, non-profit, independent society established by a group of professionals based in Bangalore and registered under the Karnataka Registration of Societies Act in February 1998 (no 777 of 1997-1998). The President is Dr. D. K. Subramanian and the Secretary and Director is Dr. Vinod Vyasulu.

The objective of the Society is to contribute through research to understanding and implementing a process of long run, sustainable, equitable development in countries like India. Equity, as we understand it, extends across time - future generations must not be deprived of resources because of irresponsible use - and class and gender - all human beings have inalienable rights that society must ensure.

An area in which the CBPS has made a contribution is in the context of the ongoing process of democratisation and decentralisation following upon the 73rd and 74th amendments to the Indian Constitution. In this context, budgets of different governmental bodies are important statements of policy priority. Budget analysis at local levels is an area where much needs to be done. An example is the work of the Centre in studying the budgets of two zilla panchayats [Dharwad and Bangalore (Rural)] in Karnataka. The report was published and is being used in programmes to orient those who have been newly elected to panchayats. In order to study decentralisation in urban areas, the finances of Urban Local Bodies- city municipal councils were taken up for study. The finances of Mandya and Udupi in Karnataka have been completed. Studies on the finances of City Municipal Councils around Bangalore are in progress.

One way of meeting our objective is by providing inputs into ongoing debates in society on matters of policy priority. Industry is one such area. CBPS did a study and published a monograph on the functioning of different sectors of industry, its impact on employment, livelihoods, productivity and the like. Ecological and environmental sustainability is another important area of decentralised functioning. CBPS has studied the working of programmes like drinking water, watershed development and joint forest management to see how local bodies can contribute to the meeting of national objectives. Studies of other important policy areas are on the anvil.

Another area of importance is an understanding of the nature of the local economy. The Centre has worked on this issue and a manual on the method to calculate District Income in India, sponsored by the Planning Commission, has been published by Macmillan India. CBPS has collaborated with a software company, Spatial Data Pvt Ltd, to develop this as a software called 'Indical' using maps with GIS engine. District officials of Kerala have been trained in using this software to calculate their district income. Further work on this will continue.

CBPS will remain a small body of professionals who will work by interacting and networking with others who share such interests. With this in view, CBPS conducted a Workshop for groups of South Asia on 'Civil Society and Budget Analysis' on behalf of the International Budget Project, Washington. A report on the workshop has been published.

The results of all this work are disseminated in training workshops and in follow up programmes.